



Dated: June 22, 2010

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JAMES M. MARLAR
Chief Bankruptcy Judge

10 Attorneys for Debtor-in-Possession,
11 Texas Hill Enterprises, GP and Texas
12 Hill Diamante Cooling, L.L.C.

13 **UNITED STATES BANKRUPTCY COURT**
14 **DISTRICT OF ARIZONA**

15 In re:

Chapter 11

16 TEXAS HILL ENTERPRISES, GP, an
17 Arizona general partnership,

Case No. 0:10-bk-11121-JMM
Case No. 0:10-bk-11126-JMM

18 Debtor.

Jointly Administered

19 In re:

Case No. 0:10-bk-11121-JMM

20 TEXAS HILL DIAMANTE COOLING,
21 L.L.C an Arizona limited liability company

**FOURTH INTERIM ORDER APPROVING
DEBTOR TEXAS HILL ENTERPRISES,
GP'S USE OF CASH COLLATERAL**

22 Debtor

23 The Court having held a hearing on the matter on June 16, and, 18, 2010; the Court
24 having considered the arguments of the parties; the Court finding that Farm Credit Services
25 Southwest, PCA ("Farm Credit"), Rabo Agrifinance, Inc. and Rabobank, NA, have, subject to
26 the terms and conditions of this order, agreed to the proposed terms of Texas Hill Enterprises,
GP's ("Texas Hill Enterprises" or the "Debtor") continued use of cash collateral as provided in

1 the Debtor's Budget attached hereto as Exhibit "A" and incorporated herein; and good cause
2 appearing therefor,

3 **IT IS HEREBY ORDERED:**

4 1. This Court's May 6, 2010, May 11, 2010, and June 10, 2010, orders on cash
5 collateral are fully incorporated herein, including without limitation the replacement liens in
6 favor of Farm Credit;

7 2. Farm Credit is a perfected lien holder;

8 3. Texas Hill Enterprises is authorized to use Farm Credit's cash collateral, as provided
9 in Exhibit "A" (the "Budget"), subject to the following terms and conditions;

10 a. The lease expense of \$55,340.00, for amounts presently due, is to be made
11 in the week of 6/28/10-7/4/10, or as soon thereafter as funds are available, is approved and shall
12 be paid directly to and on account of the lease dated May 12, 2009, with the Howell Family
13 Limited Partnership, Tom Howell Farms, and K&K Corporation;

14 b. The lease expense reflected on the budget of \$490,505.00, and to be made
15 in the week of 7/5/10-7/11/10, shall in fact not be distributed but instead will be segregated by
16 Texas Hill Enterprises until further agreement of the parties or order of the Court. All parties
17 reserve all of their rights concerning the distribution and/or use of such \$490,505.00;

18 c. All parties reserve all of their rights as to the determination of the
19 reasonableness and necessity of the Debtor's incurred expenses related to the use of cash
20 collateral for tillage of fallow ground for future crops;

21 d. Texas Hill Enterprises shall immediately deposit, upon its receipt of same,
22 all wheat sale proceeds. \$425,000.00 of these wheat sale proceeds shall be paid by Texas Hill
23 Enterprises directly to Farm Credit within 3 business days from the date that the wheat sale
24 proceeds are deemed "good funds";

25 e. If Texas Hill Enterprises receives funds in excess of the budgeted wheat
26 sale proceeds of \$1,321,130.00 and/or cantaloupe sale proceeds of \$57,375.00, the excess

1 proceeds ("Excess Proceeds") shall be held in reserve by Texas Hill Enterprises pending further
2 agreement of the parties or court order; and

3 f. In the event Texas Hill Enterprises uses Farm Credit's cash collateral in a
4 manner that is unauthorized by party agreement or any order of the Court, within three (3)
5 business days of identifying the unauthorized expense, Texas Hill Enterprises shall pay Farm
6 Credit, in cash, the amount of such unauthorized expenditure.

7 4. Texas Hill Enterprises shall immediately market for sale the hay squeeze equipment.
8 Upon the sale of the hay squeeze equipment, all net sale proceeds, which is defined as gross
9 proceeds less reasonable costs of sale, ("Sale Proceeds") shall be paid to Farm Credit. Farm
10 Credit shall apply the Sale Proceeds first to the Farm Credit equipment loan, and if additional
11 Sale Proceeds remain, they shall be applied to the Farm Credit operating loan;

12 5. Farm Credit will issue a check in the amount of \$42,161.90 to Texas Hill
13 Enterprises, on account of a patronage payment now due ("Patronage Payment"). Texas Hill
14 Enterprises shall immediately endorse the Patronage Payment back to Farm Credit. Farm Credit
15 shall apply the Patronage Payment to the Farm Credit operating loan;

16 6. The Debtor's monthly operating reports through May 2010 shall be filed by June 23,
17 2010;

18 7. In consideration of payment by the Debtor of \$125,000, as set forth in the attached
19 Budget, Rabo Agrifinance, Inc. shall allow the Debtor 180 days to market and sell the subject
20 farm land, unless there is a material change in Texas Hill Enterprises;

21 8. This authorized use of cash shall expire at the close of business on July 18, 2010,
22 subject to further written agreement of the parties and/or order of this Court; and

23 9. A continued hearing on this matter shall be held before the Honorable James M.
24 Marlar, at the United States Bankruptcy Court, 6th Floor, Room #602, 230 North First Avenue,
25 Phoenix, Arizona, on **July _____, 2010 at _____.**

26 **DATED AND SIGNED ABOVE.**

TEXAS HILL ENTERPRISES
Chapter 11 Budget Proposal: June 21 to July 18, 2010
Estimated Expenditures

Prepared by: Kristi L. Ricard
Date: June 17, 2010

		Fourth Interim Order Proposal							
		6/21 - 6/27/10	Notes	6/28 - 7/4/10	Notes	7/5 - 7/11/10	Notes	7/12 - 7/18/10	Notes
Expenses	Week:								
1.00	Property:								
1.10	Real Estate Taxes								
1.20	Land Lease Pymnts			55,340	a	490,505	b		
2.00	Management:								
2.10	General			1,925				1,925	
3.00	Payroll:								
3.10	Ops Mngmnt	2,600		2,600		2,600		2,600	
3.20	Office	1,185		1,185		1,185		1,185	
3.30	Shop	1,460		1,545		1,545		1,545	
3.40	Asset Maint/Grounds	1,400		1,465		1,465		1,465	
3.50	Tractor	3,035		3,035		3,035		3,035	
3.60	Irrigation	3,905		3,905		3,905		3,905	
4.00	Payroll Taxes and Deductions:								
4.10	SS/Med/FUTA	4,100		4,100		4,100		4,100	
4.20	Workman's Comp	3,750							
4.30	DES								
4.40	Health Ins							1,880	
5.00	Consolid. Crop Expenses: Spring	12,780	c	284,875	d		e	920	f
6.00	Water:								
6.10	Water-Contract Allocation					74,415	g		
6.20	Water-Surplus								
7.00	Custom Work Expenses:								
7.05	Seeds West: Spring	935				5,120			
7.10	Sandstone Sublease								
7.15	Overhead:								
7.20	Property/Casualty Insurance	14,570							
7.25	Equipment Insurance	450							
7.30	Flood Insurance								
7.35	Electricity	5,500							
7.40	Phone (Land/Cell/Radio)							685	
7.45	Internet							120	
7.50	Waste Removal							555	
7.55	Water Delivery	30							
7.60	Comp Equip - Lease	350							
7.65	Accounting Services								
7.70	Ag Consultant Service			10,000					
7.75	Trustee's Fees								
7.80	Admin O/H Misc	500		500		500		500	
9.00	Equipment/Shop:								
9.10	Diesel (Red/Clear)							17,500	
9.20	87 Gas	2,750							
9.30	Propane								
9.40	Equip Lease Pymnts	1,850	h						
9.50	Equip Purchase Pymnts			1,570	i				
9.60	Repairs/Maint	1,000		1,000		1,000		1,000	
10.00	Creditor Payments:								
10.10	Farm Credit Services							425,000	
10.20	RaboAg							125,000	
Total Expenditures:		62,150		373,045		589,375		592,920	

EXHIBIT A

TEXAS HILL ENTERPRISES
Chapter 11 Budget Proposal: June 21 to July 18, 2010
Estimated Income

		Fourth Interim Order Proposal							
		6/21-6/27/10	Notes	6/28 -7/4/10	Notes	7/5-7/11/10	Notes	7/12-7/18/10	Notes
Income	Week:								
20.00	Crop Proceeds:								
20.10	Cotton Sales								
20.20	Cottonseed Sales								
20.30	Lettuce Sales								
20.40	Cantelope Sales								
20.50	Wheat Sales			1,321,130					
20.60	Alfalfa Sales							169,465	
20.70	Sudan Sales								
30.00	Custom Work:								
30.10	Seeds West			1,260				6,910	
30.20	Sandstone	500		500					
40.00	Lease Receipts:								
40.10	Seeds West-Tanks					1,600			
40.20	Sandstone			125,700					
50.00	Squeeze Income:	500		500		500		500	
60.00	Loans:								
60.10	KLR: Revolving Line								
70.00	Equipment Sales:								
Total Income:		1,000		1,449,090		2,100		176,875	

June 18 COB Bank Balance: 117,795

Ending Balance: 56,645 1,132,690 545,415 129,370